

Volume II - Best and Final Offer Cost Proposal

Healthy and Well Kids in Iowa (*hawk-i*) Program

RFP-FHWS-08-17

Redacted



Confidential. Many individual pages within this proposal are exempt from disclosure to the public due to the trade secrets and proprietary and confidential information pursuant to Iowa Code § 22.7 (3) and Iowa Code Chapter 22.7 (6). The pages containing exempt information have been marked with a footer at the bottom of the page indicating disclosure or use of the page or information on the page is not permitted without prior written consent of Noridian Administrative Services, LLC.


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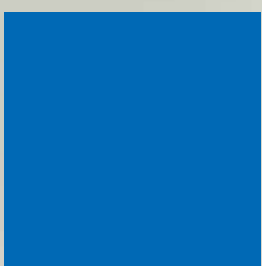
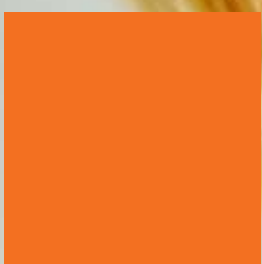
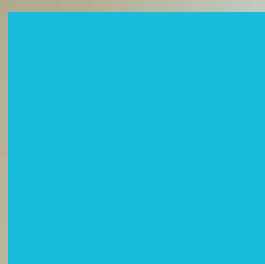
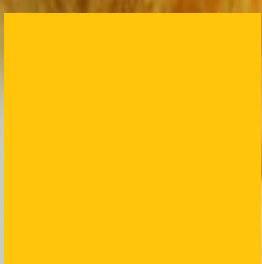
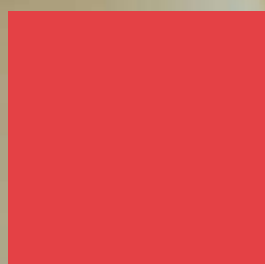
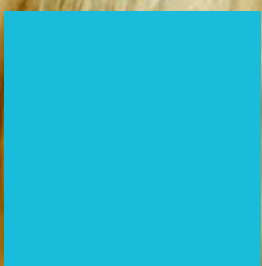
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Statement of Confidentiality

Noridian Administrative Services, LLC (Noridian) makes this Statement of Confidentiality pursuant to Section 2.20 (Public Records and Request for Confidential Treatment) of the Iowa Department of Human Services Request for Proposal.

This Statement of Confidentiality is a part of, and refers to, all chapters of this proposal submitted by Noridian to the Iowa Department of Human Services in response to its Request for Proposal, RFP # FHWS-08-17. Many individual pages within this proposal contain confidential information or documents that are exempt from public disclosure under Iowa law pursuant to Iowa Code § 22.7 (3) and Iowa Code Chapter 22.7 (6). The pages containing confidential information in this proposal are exempt from disclosure to the public due to the trade secrets and proprietary and confidential information contained within. This exempt, confidential information has significant independent economic value, both actual and potential, from not being generally known and not being readily ascertainable by proper means by other persons who could obtain economic value from its disclosure or use. Furthermore, the exempt information has been and continues to be the subject of efforts that are reasonable under the circumstances to maintain the secrecy of the exempt, confidential information. Confidential information in this proposal, if released, would give advantage to competitors and serve no public purpose. Only those pages containing exempt information are claimed as exempt from public disclosure. A redacted copy of this proposal has been submitted to the Iowa Department of Human Services along with the full proposal. The following notice is included in the footer of the proposal pages that contain exempt information.

“Proprietary and Confidential. This page contains information that is proprietary, confidential, and/or a trade secret exempt from disclosure to the public under State law. Disclosure or use of this page or information in this page is not permitted without prior written consent of Noridian Administrative Services, LLC.”



Cost Proposal

The following provides additional details and clarification of the proposed costs in Team Noridian's response to the Iowa Department of Human Services (Department's) Request for Proposal (RFP) FHWS-08-17 for the Healthy and Well Kids in Iowa (**hawk-i**) program. This Cost Proposal includes Attachment 12 – Cost Proposal Form, as instructed in the RFP.

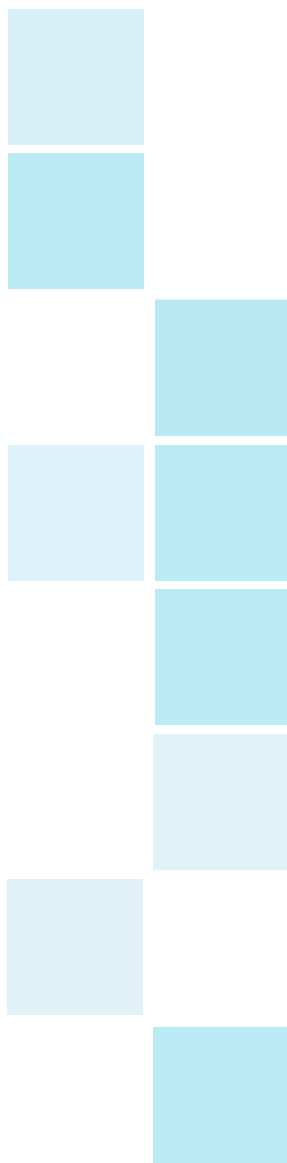
The narrative provided below is designed and intended to only provide additional guidance to the costs specified in Attachment 12 – Cost Proposal Form.

Implementation Costs

■ *Requirement 4.3.1 – Implementation Costs. Examples of implementation costs may include equipment purchases, furniture, moving and transportation expenses, data line set up, and initial system development and programming costs. The bidder shall identify the items that will be included in its implementation phase and the costs associated with each item. These costs shall be pro-rated over the base term of the contract on a monthly basis beginning the month in which the TPA begins providing operational administrative services required under the contract, which shall be on January 1, 2009. If the Incumbent Contractor elects to submit a bid, the Incumbent Contractor shall not include any implementation costs in its proposal. See Section 5.4.3 Scoring of Cost Proposals.* ■

The implementation period is from April 14, 2008 through December 31, 2008.

**Cost
Proposal**



Monthly Operations Costs

■ *Requirement 4.3.2 – Monthly Operations Costs. Monthly operations costs will be paid beginning January 1, 2009 when the TPA begins providing operational administrative services required under the contract. Examples of monthly operational costs may include, but are not limited to, costs associated with rent, utilities, salaries and benefits, employee training, supplies, system maintenance, processing applications and eligibility determinations, Health and Dental Plan enrollment, data management, reports, customer service, premium billing and collection, and conducting surveys. The bidder shall identify the items that will be included in its monthly operational costs and the costs associated with each item. ■*

The Operations Costs are for the period January 1, 2009 through June 30, 2011.

**Cost
Proposal**



Change Service Request

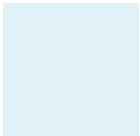
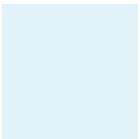
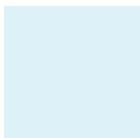
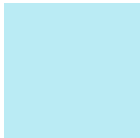
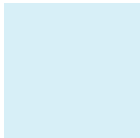
■ Requirement 4.3.3 – Change Service Request (CSR). This shall be an average hourly rate for the total of all staff needed to implement a CSR. All CSR charges will be billed at this averaged rate. ■

Option Years

■ Requirement 4.3.4 – Option Years. The proposal shall separately identify the cost of continuing to perform the requirements of this RFP for each additional option year. This should include all items as described in Section 4.3.2 Monthly Operations Cost above. ■

The Option Year costs are for the period of July 1, 2011 through June 30, 2014.

Cost
Proposal



Per Member Per Month Value

■ Requirement 4.3.5 – Per Member Per Month Value. The proposal shall identify the per member per month (“PMPM”) cost associated with increases in enrollment. ■



Attachment 12 - Cost Proposal Form

Not Confidential - this form may not be designated as confidential in whole or in part.

	Contract Signing through 12/31/2008	Year 1 1/1/09 - 6/30/09	Year 2 7/1/09 - 6/30/10	Year 3 7/1/10 - 6/30/11	Option Year 4 7/1/11 - 6/30/12	Option Year 5 7/1/12 - 6/30/13	Option Year 6 7/1/13 - 6/30/14
Implementation Costs							
Mainframe Costs	\$ -						
Office Computer Equip.	\$ 99,771.00						
Software Licensing	\$ 318,173.00						
Furniture	\$ -						
Leases for Office Space	\$ 45,855.00						
Data Connectivity	\$ 9,654.00						
Initial System Development	\$ 286,564.00						
Programming Costs	\$ 179,990.00						
Salary and Benefits	\$ 582,900.00						
Travel Expenses	\$ 70,834.00						
Other	\$ -						
Operations Costs {yearly values only}							
Salary and Benefits		\$ 683,485.00	\$ 1,382,796.00	\$ 1,424,887.00	\$ 1,476,832.00	\$ 1,530,684.00	\$ 1,586,514.00
Audit		\$ -	\$ 120,671.00	\$ 120,671.00	\$ 120,671.00	\$ 120,671.00	\$ 120,671.00
Lease, Utilities, Connectivity		\$ 279,353.00	\$ 526,734.00	\$ 537,646.00	\$ 591,336.00	\$ 609,763.00	\$ 628,977.00
Other		\$ 2,413.00	\$ 4,827.00	\$ 4,827.00	\$ 4,827.00	\$ 4,827.00	\$ 4,827.00
Change Service Rate							
Average hourly rate for all Change Requests		\$ 105.00	\$ 108.99	\$ 113.13	\$ 117.43	\$ 121.89	\$ 126.52
Per Member Per Month Rate (To be used in the event that Contractor is entitled to an increase pursuant to Contract terms because of increase obligations)							
PMPM Value		\$ 2.50	\$ 2.60	\$ 2.69	\$ 2.80	\$ 2.90	\$ 3.01
Subtotals							
Implementation Grand Total	\$ 1,593,741.00						
Operations Grand Total	\$ 11,888,910.00	\$ 965,251.00	\$ 2,035,028.00	\$ 2,088,031.00	\$ 2,193,666.00	\$ 2,265,945.00	\$ 2,340,989.00
Monthly Operations Average	\$ 180,135.00	\$ 160,875.17	\$ 169,585.67	\$ 174,002.58	\$ 182,805.50	\$ 188,828.75	\$ 195,082.42
CSR Average	\$ 115.49						
PMPM Average	\$ 2.75						

